

§ 358.5

§ 358.5 Which bearer corpora or detached bearer coupons are eligible for conversion to non-transferable BECCS or CUBES securities?

If all of the callable coupons associated with the corpus are not submitted with the corpus, the corpus will be converted to a non-transferable BECCS security. Any remaining callable coupons submitted with the corpus will be converted to individual non-transferable CUBES securities.

§ 358.6 What is the procedure for converting bearer corpora and detached bearer coupons to book-entry?

Bearer corpora and detached bearer coupons must be submitted in accordance with our procedures. They must be accompanied by an approved form executed by an authorized officer of the submitting depository institution. Until we verify the submission, the bearer corpora and detached bearer coupons are subject to rejection or adjustment.

§ 358.7 Where do I send my bearer corpora and detached bearer coupons to be converted?

Send bearer corpora and detached bearer coupons to be converted to: Bureau of the Public Debt, Division of Customer Service, P. O. Box 426, Parkersburg, WV 26106-0426.

§ 358.8 Are there fees for the conversion of bearer corpora or detached bearer coupons?

We do not charge fees for the conversion of bearer corpora or detached bearer coupons to BECCS or CUBES securities.

§ 358.9 Who is responsible for the cost and risks associated with the shipment of securities?

The following guidelines apply to the transportation of bearer corpora and detached bearer coupons:

- (a) Shipment from the depository institution is at the risk and expense of the depository institution;
- (b) Shipment between our designated agent and the Department, if required, is at our risk and expense; and
- (c) Shipment of securities that are returned to the depository institution

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is at the risk and expense of the depository institution.

§ 358.10 How are amounts of less than one dollar credited?

Only full dollar amounts can be held in CUBES; principal amounts that include cents cannot be held in CUBES. Upon the conversion of coupons to CUBES, amounts of less than one dollar in aggregate per CUBES CUSIP will not be credited to the account of the depository institution.

Example: A depository institution submits five coupons with face amount of \$346.88 each, and a total dollar amount of \$1,734.40. Upon conversion of these coupons to CUBES, only \$1,734.00 will be credited to the depository institution's account.

§ 358.11 What is required to establish the authority of a depository institution to request conversion?

By submitting bearer corpora and detached bearer coupons for conversion to BECCS and CUBES securities, a depository institution represents that it has the authority to request the conversion.

§ 358.12 What is Treasury's liability if the depository institution does not have authority to convert securities?

We are not liable if the depository institution has no authority to convert the bearer corpora and detached bearer coupons to book-entry form or to take other actions in respect to book-entry accounts in BECCS and CUBES.

§ 358.13 What is Treasury's liability if the depository institution incurs a loss because it does not follow required procedures?

We are not liable for any loss incurred by the depository institution as a result of its failure to properly follow our procedures.

§ 358.14 What happens when securities are accepted for conversion?

- (a) After processing and initial verification, we will transfer the securities accepted to the depository institution's book-entry account, establishing a securities entitlement in TRADES according to 31 CFR part 357 subpart B.